

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JUNE 13, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 13, 2006, commencing at 7:00 a.m.

**A. ROLL CALL**

Present: Council Members – Beckman, Hansen, Johnson, and Mayor Hitchcock  
Absent: Council Members – Mounce  
Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Taylor

**B. TOPIC(S)**

**B-1 "Presentation regarding expansion plan for Lodi Memorial Hospital"**

Joe Harrington, President and Chief Executive Officer of Lodi Memorial Hospital (LMH), distributed informational packets detailing the expansion plan (filed) and explained that there are two forces driving the LMH project. The first is the Seismic Safety Act, known as SB 1953, passed in early 1994 following the Northridge earthquake in which two hospitals in southern California crumbled. The purpose is to regulate new building standards to ensure that hospitals could sustain an earthquake and continue to provide treatment during and following an earthquake. The first set of standards must be met in 2008, and the second, more stringent standards go into effect in 2030. Standards are uniform throughout the state; however, only two seismic zones exist in California. Through lobbying efforts, revisions to the Act requirements have allowed LMH to receive a delay in 2008 standards to 2012 for both the east campus at Fairmont Avenue and Vine Street and the west campus at Lower Sacramento Road and Vine Street. The delay was granted because LMH is located in a less active zone and it is the only hospital facility within the immediate geographic area. Portions of the original structure will be available for use through 2012, and additional portions, with upgrades, will be functional through December 31, 2030. The second driving force for the project is the need for more in-patient beds due to overall growth in the community, a higher senior population which requires more hospital care, and an increase in patients from the north Stockton area. In 2001, LMH held, on average, one to two patients waiting for admission into an in-patient room during peak (winter) season. In 2005-06, LMH is averaging nine patients waiting for beds, so the facility must increase the number of beds to address service area needs while meeting seismic standards.

Plans have been submitted to the California Office of Statewide Health Planning and Development (OSHPD) for review of a central plant to be completed in three phases – the new four story south wing (targeted to begin January 2007), replacement of the west wing with a new four-story structure, and between now and 2030, replacement of the original 1952 building with a four-story structure.

At the request of Mayor Pro Tempore Johnson, Mr. Harrington shared that consideration was given to construction at the current site versus searching for open acreage to build a new facility. It was determined that construction at the current site can occur with minimal interference by completing the project in stages and that using the existing property was both cost effective and allowed the facility to remain within the heart of the community. It is believed that the biggest obstacle will be the availability of parking for staff and patients and that future plans may include constructing a parking garage on the hospital campus.

Council Member Hansen shared that Sutter Gould may establish an out-patient facility in Lodi and asked what the industry allows in factoring growth when other medical facilities locate in Lodi. Mr. Harrington explained that LMH reviews the service area, calculates the number of in-patient admissions that will result from that population, and factors in the market share numbers from the state (reported voluntarily by California hospitals) to

establish a base total. Additionally, in response to Council Member Hansen, Mr. Harrington shared that the state has issued mandates without funding; however, some small, rural hospitals may still receive assistance to meet mandates while remaining open as the only facilities in their service areas available to provide medical care.

In response to Council Member Beckman, Mr. Harrington explained that structural security has been explored to ensure that protection and safety are key factors while keeping the building aesthetically pleasing and reflective of a warm and caring environment. He stated that, while funding is not readily accessible, \$3 million in grant funds is available through the State Department of Health Services and LMH is working to receive a portion of the funds. Council Member Beckman suggested that, if possible, the City of Lodi might also be in a position to provide assistance.

In reply to Mayor Hitchcock, Mr. Harrington explained that the state mandates a patient to nurse ratio of five to one, and like most hospitals, LMH experiences challenges in nursing staff shortages. He reported that approximately five years ago, LMH embarked on a campaign to recruit 25 Canadian nurses for a two-year program with a retention rate of 50 percent at the end of the program. With over 300 nursing positions, LMH currently has a vacancy rate of 12 to 15 nurses and will take advantage of the two-year program again this year. He shared that most LMH employees are long-term employees and Lodi area residents and that 68 percent of the nursing staff are San Joaquin Delta College nursing program graduates. Realizing the importance in supporting the future operation of the hospital, LMH and other area hospitals have contributed nearly \$500,000 to the Delta College nursing program, which will generate 20 more graduates in the next three years.

Tak Saito, Facilities Director at LMH, thanked City staff for its cooperation and support during the past year with project plans and explained that, in addition to the hospital, LMH now operates a number of clinics within the community. The original hospital was built in 1952 with a number of additions to the facility over the years, which have been examined to ascertain seismic structure conditions in response to SB 1953. Key design points to update the facility were the need for more in-patient beds to meet the growing needs in the service area, modernization of the facility, re-location of urgent care adjacent to the emergency room, and updates to the campus and parking areas.

Mr. Saito shared that the vision for the facility has focused on community access to the hospital, providing a healing environment, designing a scalable project based on construction in phases and available funding, accommodating state-of-the-art technology, improving the quality of care and services, and creating flexibility, adaptability, and support for dynamic growth. The master plan includes a 136,000 square foot addition slated to begin construction in early 2007, which will almost double the size of the current hospital and additionally complete the seismic upgrading and retrofitting of the existing facility. The new four-story structure will house the emergency and urgent care facilities on the main floor with connections to the existing three-story structure on levels one through three. Property has been purchased at the south end of the campus along Cardinal Street in preparation for construction and parking expansion. Meetings have been conducted with neighbors of the hospital campus to provide information and open communication regarding the design and construction.

NOTE: Council Member Beckman left the meeting at 8:00 a.m.

Mr. Saito reported that design elements for the building façade were created to blend into the community and a healing garden will be located near the main lobby between the new and existing buildings. Urgent care will be located adjacent to emergency, and both centers will be designed to meet emergency room standards and have access to medical diagnostic equipment. Floors one through three will house in-patient rooms, and nursing staff will be located throughout the floor rather than the current layout of one centralized workstation per floor. In-patient rooms will provide 236 square feet of living space for patients and their families and more functional space for nursing staff to provide care.

Mayor Hitchcock commented on the beautiful rooms and the overall design of the new building and asked if there is a possibility that the hospital will draw so many within and outside the community that it will be too small once it is completed. Mr. Saito noted that a state-of-the-art facility may provide a continued challenge in service and access to patients and that consideration will be given to future growth in determining the use of space in the next phase of construction. At the request of Mayor Hitchcock, Mr. Saito explained that, while the limited site size provides minimal growth potential, additional levels would not be aesthetically pleasing to the design. City staff and fire personnel were consulted about the design and did not support additional floors nor placing the helicopter pad on top of the facility.

Council Member Hansen commented on the increase in urgent care facilities in the community and inquired if this were causing additional strain on the hospital. Mr. Harrington shared that placing the urgent care facility next to the emergency room in the south wing was done for efficiency reasons. Urgent care closes at 10:00 p.m., so those seeking care at that point will come to emergency, many times with what would not be considered an emergency by hospital standards. The new design will allow a triage nurse to evaluate patients, determine the proper treatment area, and even allow for the shifting of personnel to where they are needed to deliver care. As part of the planning process, LMH looks monthly at need, capacity, and ability to afford improvements and new construction at a current cost of \$450 million to do everything. He shared that the future of the west campus will not be determined at this time, but it is currently providing a great deal of flexibility in allowing LMH to continue to provide services now and through the first phase of construction at the east campus. He explained that, under a different licensing category through the Department of Health Services, 15 acute rehabilitation and skilled nursing beds have been re-licensed as medical/surgical beds. In that facility, there is a 15 bed medical/surgical unit that takes some of the overflow of the hospital, and without that the emergency care unit holding area would have not only the current nine patients mentioned earlier, but another 15 patients awaiting beds.

In response to Council Member Johnson, Mr. Harrington reported that, looking at local competition activity, Dameron Hospital has received approval to build its central plant for expansion purposes and that St. Joseph's Hospital is building a new women's and children's center wing and will re-license and use the current center for medical/surgical beds in order to increase its capacity. He shared that in looking at LMH, Dameron, and St. Joseph's, demographics show 78 percent of business generates from within a five mile radius of each facility; however, ten years ago it was 90 percent. The increase in Lodi is mainly reflective of recent patient migration from north Stockton.

Council Member Johnson stated that many in the community may be surprised to learn that LMH is quite an economic engine in the community. Mr. Harrington shared that the hospital employs 1,250 employees, paying salaries and benefits of almost \$62 million. He added that preliminary estimates indicate that by 2013 the hospital will have 1,700 employees and generate an annual payroll of \$100 million. He stated that the vast majority of employees live in and around Lodi, so the money is being spent locally, providing strong economic support for the whole community.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**D. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Jacqueline L. Taylor, Deputy City Clerk